

# **THE OFFICE OF REGULATORY STAFF**

## **DIRECT TESTIMONY**

**OF**

**A. RANDY WATTS**

**SEPTEMBER 3, 2008**



**DOCKET NO. 2008-196-E**

**Hearing on Petition of South Carolina Electric & Gas Company  
for an Order Permitting Commencement of Construction  
Activities at the V C Summer Nuclear Facility site near  
Jenkinsville, South Carolina**

**DIRECT TESTIMONY OF**

**A. RANDY WATTS**

**FOR**

**THE OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2008-196-E**

**IN RE: HEARING ON PETITION OF SOUTH CAROLINA ELECTRIC & GAS  
COMPANY ("SCE&G") FOR AN ORDER PERMITTING COMMENCEMENT  
OF CONSTRUCTION ACTIVITIES AT THE VC SUMMER NUCLEAR  
FACILITY SITE NEAR JENKINSVILLE, SOUTH CAROLINA**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

**A.** My name is Randy Watts. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as Program Manager of the Electric Department for the Office of Regulatory Staff ("ORS").

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

**A.** I received a Bachelor of Science Degree in Electrical Engineering from the University of South Carolina in Columbia in 1976. I was employed at that time by the Public Service Commission of South Carolina ("Commission") as a Utilities Engineer in the Electric Department and was promoted to Chief of the Electric Department in August 1981. Subsequent to internal Commission restructuring, my position was redesignated Chief of Electric in October 1999. I remained in that role until transferring to my current position with ORS in January 2005. I have testified on numerous occasions before the

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1401 Main Street, Suite 900  
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Commission in conjunction with fuel clause, complaint, territorial assignment, Siting Act and general rate case proceedings.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

**A.** The purpose of my testimony is to provide ORS's comments on SCE&G's Petition for an Order Permitting Commencement of Construction Activities in conjunction with the Company's proposed two (2) new nuclear units at the site of the existing VC Summer Nuclear Station located near Jenkinsville, South Carolina.

**Q. WHAT IS YOUR UNDERSTANDING OF THE ISSUE THAT IS BEFORE THE COMMISSION IN THIS PROCEEDING?**

**A.** The only matter that is before the Commission in this proceeding is the Company's request for permission to begin initial clearing, excavation and construction.

**Q. WHAT IS REQUIRED OF SCE&G IN ORDER TO BE GRANTED PERMISSION TO PROCEED WITH THESE ACTIVITIES?**

**A.** The Company needs to show that 'these activities' are justified by public convenience and necessity. For purposes of the Company's request in this hearing to consider initial clearing and construction, there is no requirement to show that the public convenience and necessity requires the construction of the proposed generating facilities.

**Q. WILL GRANTING OF THE REQUEST IN THIS PROCEEDING HAVE ANY BEARING ON THE COMPANY'S REQUEST TO CONSTRUCT A MAJOR UTILITY FACILITY?**

**A.** No. Granting permission in this proceeding will have no bearing on the ultimate decision to approve or not approve the Siting of the proposed two nuclear power units.

1 The Commission made this explicitly clear in its Order on Hearing (Order No. 2008-570)  
2 in this matter issued on August 19, 2008.

3 **Q. WILL GRANTING THE REQUESTED PERMISSION IN THIS PROCEEDING**  
4 **GARNER SCE&G ANY RATE COVERAGE?**

5 **A.** No. By virtue of going forward with these activities if permission is granted, the  
6 Company will be proceeding at its own risk. The Commission addressed this point in its  
7 Order setting this matter for hearing. Cost and rate coverage matters, among other issues,  
8 will be addressed as part of the public hearing currently scheduled to commence on  
9 Monday, December 1, 2008.

10 **Q. DOES ORS HAVE AN OBJECTION TO SCE&G'S REQUEST FOR**  
11 **PERMISSION TO PROCEED WITH INITIAL CLEARING AND**  
12 **CONSTRUCTION ACTIVITIES?**

13 **A.** No, with the understanding that the Company is proceeding at its own risk; these  
14 activities will have no bearing on the ultimate proposed project Siting decision; costs and  
15 rate matters will be addressed in a subsequent hearing and are not affected or even  
16 considered by the granting of permission in this hearing; and in participating in these  
17 activities, the Company will comply with all applicable environmental and land-use  
18 requirements.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 **A.** Yes, it does.

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2008-196-E**

IN RE: Combined Application of South Carolina Electric  
and Gas Company for a Certificate of )  
Environmental Compatibility and Public ) **CERTIFICATE OF**  
Convenience and Necessity and for a Base Load ) **SERVICE**  
Review Order for the Construction and Operation )  
of a Nuclear Facility in Jenkinsville, South )  
Carolina )

This is to certify that I, Pamela J. McMullan, have this date served one (1) copy of the **DIRECT TESTIMONY OF A. RANDY WATTS** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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Pamela J. McMullan

September 3, 2008  
Columbia, South Carolina